



City of Seattle

Gregory J. Nickels, Mayor

Human Services Department

Alan Painter, Director

September 16, 2009

Ms. Lori Martin
Community Planning and Development
U.S. Department of Housing and Urban Development
909 First Avenue, Suite 200
Seattle, Washington 98104-1000

Dear Ms. Martin:

This letter is to inform you of a change the City of Seattle intends to make in our allocation of Community Development Block Grant funds allocated by the American Recovery and Reinvestment Act (ARRA). In our application for these funds, known by the acronym CDBG-R, we had allocated \$30,000 to Goodwill Development Association to install sprinkler systems at their Teen Parent Home and \$166,000 to Seattle Chinatown International District Preservation and Development Authority for renovations to the Bush Hotel meal program site.

Both of these projects had also received an allocation from our regular CDBG funds for community facilities improvements. We are changing these allocations to eliminate CDBG-R funding for the Teen Parent Home and replacing it with regular CDBG from our Community Facilities program. This swap of funds will take place with the Bush Hotel project.

This change of funding is necessary because the original proposal for the Teen Parent Home was based on an incorrect assessment of the level of sprinkler system performance required for that type of facility. The appropriate level of performance has necessitated a re-bidding of the project and may potentially increase the cost of the project. These factors raise concerns that the project may not get underway in a timely manner as defined by ARRA. As you know, ARRA funds are to be used on projects that can quickly stimulate the economy with jobs and services. The Bush Hotel project will be underway soon. Though delayed somewhat, we are still confident that the Teen Parent Home project will be done sometime in 2010.

The total amount of funds involved is \$30,000. Thirty thousand dollars of CDBG-R will be removed from the revenue budget for the Teen Parent Home, to be replaced by \$30,000 of CDBG. Similarly, the Bush Hotel will see an increase in their CDBG-R allocation by \$30,000 and a decrease in their regular CDBG allocation by \$30,000. This magnitude of change does not rise to the level of a "substantial amendment" according to our 2009 – 2012 Consolidated Plan policies, and thus does not necessitate formal action by our City Council. If you have any questions, please call Michael Look, CDBG Administrator, at 615-1717.

Sincerely,

Alan Painter
Director